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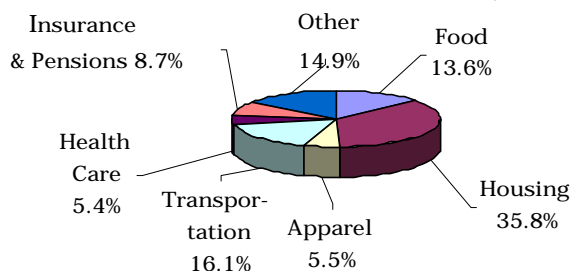
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CONSUMER SPENDING PATTERNS IN THE CHICAGO-GARY-KENOSHA AREA IN 1997-98

Chicago area consumer units spent an average of \$36,497 per year in 1997-98, according to a new report from the U.S. Department of Labor's Bureau of Labor Statistics. This was approximately 7 percent higher than the average for the Nation, but was close to the \$35,658 spent by consumers in Detroit, the second largest metropolitan area in the Midwest. Expenditures in the Nation's two largest areas, New York and Los Angeles, exceeded \$41,000 and were about 13 percent more than what consumers spent in Chicago. (See Table 1.)

The average Chicago area household spent a larger share of its total budget for shelter, public transportation, and apparel, than the average U.S. household. In 1997-98, nearly two-thirds of all expenditures went for housing, food, and transportation. (See Table 2.)

**Chicago Expenditure Shares
Consumer Expenditure Survey, 1997-98**



This report is based on data from the Consumer Expenditure Survey. The survey is conducted on an ongoing basis by the Bureau of Labor Statistics and is the only national survey that provides complete data on both household expenditures and the demographic characteristics of these households. Survey data cannot be used to make cost of living comparisons between areas. This is because expenditures vary among areas not only because of economic factors such as the price of goods and services and family income, but also because of differences such as the age of the population, climate, consumer tastes, family size, etc. The expenditures are averages for consumer units. An individual consumer unit may spend more or less than the average, depending on its particular characteristics.

On average, spending on housing accounted for 35.8 percent of total household expenditures in the Chicago area, compared to the national average of 32.8 percent. Housing expenditures in the New York and Los Angeles areas were also above the average at 36.9 and 37.4 percent, respectively. The majority of housing expenditures in Chicago (59 percent) went for shelter which includes mortgage interest, property taxes, repairs, and rent among other items. Households in both New York and Los Angeles spent a greater proportion (65 percent) of their housing expenditures on shelter. The proportion of homes owned in Chicago equaled the national average of 64 percent. The rate of homeownership was noticeably lower in Los Angeles, 53 percent, and New York, 51 percent.

Transportation was the second largest expenditure category for the Chicago area, accounting for 16 percent of the total. Chicagoans spent a smaller proportion of their budgets on transportation than the average American household which spent 18.6 percent. Chicagoans and New Yorkers owned fewer private vehicles than the national average, spent less on gasoline and motor oil, and more on public transportation.

Food accounted for 13.6 percent of total expenditures in the Chicago area and for the Nation as a whole. Food expenditures represented 12.2 percent of the total in Los Angeles, 14.2 percent in Detroit, and 14.8 percent in New York. Chicago, Detroit and New York households spent approximately 8 percent of their budgets on food at home, about the same as the national average, while those in Los Angeles spent 7.1 percent.

At 8.7 percent, personal insurance and pensions was another major expenditure in Chicago. Social Security and pension contributions accounted for almost 90 percent of spending in this category.

Consumers in Chicago and New York spent a slightly larger share of their budgets on apparel and upkeep than consumers in other cities. Chicago households spent an average of 5.5 percent and New York households spent 5.9 percent, while those in Detroit and Los Angeles spent 4.6 and 4.1 percent, respectively.

About 5 percent of a Chicago household's budget went to cover out-of-pocket medical expenses such as health insurance premiums, medical services, drugs and medical supplies. Nationally, consumers spent a similar proportion, while those in Los Angeles spent only 3.8 percent of their budgets for health care.

Accounting for 2.2 percent of a household's total budget, spending on education in Chicago was above the national average of 1.6 percent. Chicago area consumers had close to average spending patterns for entertainment, personal care, reading materials, and miscellaneous expenses.

Chicagoans spent 0.7 percent of their budgets on tobacco and smoking products; about the same as New Yorkers who spent 0.6 percent. Consumers in Detroit spent 1.0 percent of their budget on tobacco and smoking supplies while those in the Los Angeles area spent only 0.4 percent.

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Additional Data Available

Data tables are available for the four Census regions and for the national average. These tables may be obtained from the Bureau's automated Fax-on-Demand service. See below. Additional tables are offered on the BLS Internet site (<http://stats.bls.gov/csxhome.htm>) under the heading "*Tables.*"

BLS Fax-on-Demand - Chicago (312) 353-1880	Number of pages	Document no.
Consumer Expenditures in 1998 - national news release (annual)	2	2705
CEX expenditure data		
By quintiles of income before taxes (Table 1)	3	2710
By income before taxes (Table 2)	3	2715
By age of reference person (Table 3)	3	2720
By size of consumer unit (Table 4)	3	2725
By composition of consumer unit (Table 5)	3	2730
By number of earners (Table 6)	3	2735
By housing tenure, race, Hispanic origin and type of area - urban or rural (Table 7)	3	2740
By region of residence (Table 8)	3	2745
By occupation of reference person (Table 9)	3	2750
By education of reference person (Table 10)	3	2760

Technical Note

The current Consumer Expenditure Survey program began in 1980. Its principal objective is to collect information on the buying habits of American consumers. The consumer expenditure data are used in a wide variety of research by government, business, labor, and academic analysts. The data are also required for periodic revision of the Consumer Price Index (CPI).

The survey consists of two components: A Diary or recordkeeping survey completed by participating consumer units for two consecutive 1-week periods, and an Interview survey in which the expenditures of consumer units are obtained in five interviews conducted every 3 months. The data presented in this release are based on integrated data from both surveys.

The metropolitan statistical areas covered by the Consumer Expenditure Survey represent areas designated by the U.S. Office of Management and Budget and are based on definitions in effect as of December 1992. Due to a change in sampling frame and in area definitions, local data for the 1997-98 period are not directly comparable to data prior to 1996. The following are definitions of the areas discussed in this release:

Chicago-Gary-Kenosha, IL-IN-WI, includes the counties of Cook, DeKalb, DuPage, Grundy, Kankakee, Kane, Kendall, Lake, McHenry, and Will in Illinois; Lake and Porter in Indiana; and Kenosha in Wisconsin.

Detroit-Ann Arbor-Flint, MI, includes the counties of Genesee, Lapeer, Lenawee, Livingston, Macomb, Monroe, Oakland, St. Clair, Wastewaw and Wayne.

New York-Northern New Jersey-Long Island, NY-NJ-CT, consists of the counties of Bronx, Dutchess, Kings, Nassau, New York, Orange, Putnam, Queens, Richmond, Rockland, Suffolk, and Westchester in New York State; Bergen, Essex, Hudson, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex, Union, and Warren Counties in New Jersey; Fairfield County and parts of Litchfield, Middlesex, and New Haven Counties in Connecticut; and Pike County in Pennsylvania.

Los Angeles-Riverside-Orange County, CA, includes the counties of Los Angeles, Orange, Riverside, San Bernardino and Ventura.

Definitions

Consumer unit A single person living alone or sharing a household with others but who is financially independent; members of a household related by blood, marriage, adoption, or other legal arrangement; or two or more persons living together who share responsibility for at least 2 out of 3 major types of expenses - food, housing, and other expenses. The terms household or consumer unit are used interchangeably for convenience.

Complete income reporter In general, a consumer unit that provides values for at least one of the major sources of its income such as wages and salaries, self employment income, or Social Security income. Even complete income reporters may not have provided a full accounting of all income from all sources.

Table 1. Average annual expenditures, U.S. average and selected metropolitan statistical areas, Consumer Expenditure Survey, 1997-98

Item	United States Average	Chicago	Detroit	Los Angeles	New York
Income before taxes <u>1/</u>	\$40,770	\$43,160	\$43,557	\$50,234	\$50,710
Average annual expenditures	\$35,097	\$36,497	\$35,658	\$41,597	\$41,103
Food	4,789	4,978	5,057	5,060	6,090
Food at home	2,830	2,874	2,920	2,950	3,382
Food away from home	1,960	2,105	2,137	2,110	2,708
Alcoholic beverages	309	312	331	305	441
Housing	11,509	13,071	11,789	15,562	15,153
Shelter	6,513	7,695	6,809	10,078	9,711
Utilities, fuels and services	2,408	2,598	2,505	2,321	2,501
Household operations	543	559	492	874	561
Housekeeping supplies	469	592	404	503	440
Household furnishings	1,576	1,627	1,580	1,786	1,940
Apparel and services	1,704	2,007	1,652	1,689	2,226
Transportation	6,539	5,859	7,069	7,696	6,293
Vehicle purchases (net outlay)	2,851	2,557	2,629	2,870	2,030
Gasoline and motor oil	1,057	982	1,055	1,185	870
Other vehicle expenses	2,218	1,766	2,915	3,034	2,431
Public transportation	413	554	470	607	961
Health care	1,872	1,976	1,604	1,590	1,873
Entertainment	1,756	1,828	2,295	1,833	1,835
Personal care	401	440	431	427	463
Reading	162	157	168	144	209
Education	575	811	305	591	853
Tobacco	268	239	352	155	258
Miscellaneous	854	773	830	1,092	880
Cash contributions	1,056	872	872	1168	873
Personal insurance and pensions	3,303	3,173	2,903	4,283	3,655

1/ Components of income and taxes are derived from "complete income reporters" only; see definitions.

Table 2. Consumer unit characteristics and distribution of expenditures, U.S. average and selected metropolitan statistical areas, Consumer Expenditure Survey, 1997-98

Item	United States Average	Chicago	Detroit	Los Angeles	New York
Income before taxes 1/	\$40,770	\$43,160	\$43,557	\$50,234	\$50,710
Age of reference Person	47.7	48.1	48.6	46.4	48.2
Earners	1.3	1.4	1.3	1.4	1.3
Vehicles	2.0	1.6	2.0	2.0	1.3
Percent homeowner	64	64	72	53	51
Average annual expenditures	\$34,097	\$36,497	\$35,658	\$41,597	\$41,103
Percent distribution:	100.0	100.0	100.0	100.0	100.0
Food	13.6	13.6	14.2	12.2	14.8
Food at home	8.1	7.9	8.2	7.1	8.2
Food away from home	5.6	5.8	6.0	5.1	6.6
Alcoholic beverages	.9	.9	.9	.7	1.1
Housing	32.8	35.8	33.1	37.4	36.9
Shelter	18.6	21.1	19.1	24.2	23.6
Utilities, fuels and services	6.9	7.1	7.0	5.6	6.1
Household operations	1.5	1.5	1.4	2.1	1.4
Housekeeping supplies	1.3	1.6	1.1	1.2	1.1
Household furnishings	4.5	4.5	4.4	4.3	4.7
Apparel and services	4.9	5.5	4.6	4.1	5.4
Transportation	18.6	16.1	19.8	18.5	15.3
Vehicle purchases (net outlay)	8.1	7.0	7.4	6.9	4.9
Gasoline and motor oil	3.0	2.7	3.0	2.8	2.1
Other vehicle expenses	6.3	4.8	8.2	7.3	5.9
Public transportation	1.2	1.5	1.3	1.5	2.3
Health Care	5.3	5.4	4.5	3.8	4.6
Entertainment	5.0	5.0	6.4	4.4	4.5
Personal care	1.1	1.2	1.2	1.0	1.1
Reading	.5	.4	.5	.3	.5
Education	1.6	2.2	.9	1.4	2.1
Tobacco	.8	.7	1.0	.4	.6
Miscellaneous	2.4	2.1	2.3	2.6	2.1
Cash contributions	3.0	2.4	2.4	2.8	2.1
Personal insurance and pensions	9.4	8.7	8.1	10.3	8.9

1/ Components of income and taxes are derived from "complete income reporters" only; see definitions.